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SPEECH

OF THE

HON. S. C. WOOD

Treasurer of the Province of Ontario,

DELIVERED ON THE 29<sup>TH</sup> JANUARY, 1880,

IN

*The Legislative Assembly of Ontario,*

ON MOVING THE HOUSE INTO COMMITTEE OF SUPPLY.

REPORTED BY L. V. PERCIVAL.

**Toronto:**

PRINTED BY C. BLACKETT ROBINSON, 5 JORDAN STREET.

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# FINANCIAL STATEMENT

OF THE

## HON. S. C. WOOD.

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LEGISLATIVE ASSEMBLY,

TORONTO, *Thursday, 29th January, 1880.*

MR. SPEAKER,—When I last had the honour of presenting my Financial Statement to this House, we were within some few months of a general election, and our opponents were charging us with extravagance. They were going to the country upon what might be called a one-plank platform, that plank being reduced expenditure, and that reduced expenditure being principally in the direction of the Civil Service. It was therefore, desirable that I should enter somewhat fully into a comparative statement of the financial transactions of the old and the new administrations, with the object of shewing that any abnormally large expenditure had been required in the best interests of the country, and that any increased cost in the maintenance of the Civil Service had been fully justified by the larger volume of work performed. It will not be necessary now, Sir, for me to pass in review the financial operations of previous administrations or Parliaments. My duty will have been fulfilled when I have, to the best of my ability, laid before the House the transactions of the year 1879, given a correct statement of our assets and liabilities as they stand at present, and submitted for the consideration of Hon. Members the anticipated receipts and expenditures for the year 1880. I need hardly remind the House that three-fourths of our

receipts are from the subsidy of the Dominion and from interest on trust funds, the property of the Province of Ontario, in the hands of the Dominion Government, and that these are fixed sums. The remaining fourth is made up of items which fluctuate in value, particularly that important item, Territorial Revenue. The depression in the lumber trade for several years past has had a very serious effect upon the receipts of the Province, and has reduced them much lower than has been anticipated by any Treasurer since Confederation. We certainly reached the lowest point in 1878, and I trust it will be the lowest for many years to come. The receipts on account of Woods and Forests for that year were \$284,816. This past year there has been quite an increase, but still it falls short of what we estimated by some \$50,000. There is a very marked improvement, so far as the lumber trade is concerned, and we have felt somewhat the effect of it this year, while the prospects are that for some years to come we shall have a very large income from the Woods and Forests branch. Increased prosperity in the lumber trade not only means a larger amount of timber and logs to be got out, and therefore a larger amount of dues to be collected by the Government, but also the collection of arrearages for former years. The revenue of 1880 will be derived from the timber and logs got out in the winter of 1878-9; and we will not feel the full effect of the increasing prosperity in the lumber trade until the year 1881, but it is most satisfactory to be able to look forward to a larger revenue from Crown Lands in the future, notwithstanding the falling off which has taken place in the collections during the last few years. In 1873 the collections amounted to \$189,655; in 1876 they were \$82,254, while in 1879 they had got down to the very small sum of \$45,620.

We have been disappointed as regards the receipts on account of interest on investments. This is partly owing to the municipalities who had borrowed on account of the Drainage Fund not paying up promptly, and partly to our having been obliged, in order to meet heavy payments on account of railway aid and distribution of the surplus, to obtain an advance on our

bonds, and also the Dominion Government having retired a portion of their debentures held by us. These causes have combined to reduce the interest accruing on our investments to a less amount than we had estimated. Then we estimated last year that we should receive a larger sum from those municipalities which are still in arrears on account of the Municipal Loan Fund, but were disappointed, and it has now become a matter for serious consideration by the Government, whether the time has not arrived when these municipalities should be compelled to pay off their indebtedness. (Hear, hear.)

The following is a statement of our receipts for the year 1879:—

## RECEIPTS, 1879.

Subsidy .. .. .	\$1,116,872 80	
Specific grant .. .. .	80,000 00	
Interest on special funds.....	136,696 62	
	<hr/>	\$1,333,569 42

## CROWN LANDS REVENUE.

Crown Lands .. .. .	\$45,670 22	
Clergy lands .. .. .	20,186 49	
Common school lands .. .. .	46,987 85	
Grammar school lands .. .. .	4,782 56	
Woods and Forests .. .. .	332,014 47	
Casual fees, etc.....	7,698 68	
	<hr/>	457,340 27

## PUBLIC INSTITUTIONS REVENUE.

Lunatic Asylum, Toronto .. .. .	\$24,430 05	
“ “ London .. .. .	5,922 07	
“ “ Kingston .. .. .	1,794 62	
“ “ Hamilton .. .. .	1,796 51	
“ “ Orillia .. .. .	993 41	
Reformatory .. .. .	1,200 81	
Deaf and Dumb Institute .. .. .	475 00	
Central Prison .. .. .	29,129 38	
Blind Institute .. .. .	87 57	
School of Practical Science.....	260 00	
	<hr/>	66,089 42
Education .. .. .		47,961 95
Interest on investments, etc .. .. .		127,645 70

*Casual Revenue—*

<i>Gazette</i> .. .. .	\$14,000 00	
Statutes .. .. .	689 85	
Casual .. .. .	11,952 47	
	<hr/>	26,642 32
License Fund.....		85,220 17
Algoma Taxes .. .. .		9,948 96
Law Stamps .. .. .		71,383 83
Drainage Assessment .. .. .		15,289 70
Agricultural Farm, Mimico .. .. .		625 63
Municipal Loan Fund.....		1,652 36
Central Prison Insurance .. .. .		6,900 00
	<hr/>	\$2,250,269 73

With reference to the Expenditure, I do not know that it requires any lengthy remarks from me. In addition to the ordinary expenditure there are certain other items of an abnormal character, such as the expenses of entertaining His Excellency the Governor-General and Her Royal Highness during their visit to Toronto, the visit of His Honour the Lieutenant-Governor to the newly acquired territory, aid to distressed settlers in Algoma, etc., but these have been placed in the Estimates for the concurrence of this House, consequently it is not necessary to refer to them now. But there are certain items of over-expenditure regarding which it is perhaps as well that I should make an explanation. The appropriation for Superannuated Teachers has been overdrawn, they having received more than was voted them last Session by \$3,574.50. This is simply owing to the working out of the law, and not to any regulations laid down by the Government, nor was it a matter within the control of the Minister of Education. The over-expenditure on account of Immigration has been \$12,650. This has been caused by the increased number of immigrants coming to this country. In 1878 the number arriving was 13,055; in 1879 it was 24,407—nearly double—which caused a proportionate increase in the expenditure on account of provisions, and also of their railway fares to different parts of the country. We have also an over-expenditure in the matter of insurance. The premiums paid by us last year on public buildings amounted to \$20,671 on policies extending over three years. We came to the conclusion to have a re-valuation made of all our public buildings and adopt a better system with regard to insurance, and we therefore insured them all, with the exception of those to be completed next summer, in some seventeen or eighteen first-class insurance companies, and with the exception of one or two whose capital and position would not justify a large insurance, we gave to each of these companies an equal risk on all our public buildings; thus every one of them, whether asylum, college, Parliament Buildings or otherwise, is insured in all these companies, so that in case of fire the companies



themselves lose but little, and on the other hand the safety of the Government is assured. They have given what is called an *unconditional* policy (hear, hear), and so far as able we have protected the interests of the Province under this system. I may state that we are insured for \$1,892,574, and that the rate is  $1\frac{1}{2}$  per cent. for three years.

MR. LAUDER—Is that the rate upon all the buildings?

MR. WOOD—That is the average rate. Some of them are higher and some lower.

The expenses in connection with the general election have exceeded our estimate by some \$18,525. In addition to these sums, but not included in the Estimates (no vote having been taken last year), we have paid out large sums in aid to railways, and distribution of the surplus, as well as \$25,000 to the Province of Quebec on account of Common School lands. This, it is very true, has reduced the assets, but it has in most cases reduced the liabilities also. Our expenditure for 1879 has been as follows:—

Civil Government.....	\$154,276 84
Legislation .....	114,072 98
Administration of Justice.....	274,013 22
Education.....	527,097 24
Public institutions maintenance.....	469,190 80
Immigration .....	39,650 12
Agriculture, arts, literary and scientific institutions..	105,900 80
Hospitals and charities.....	73,720 44
Miscellaneous .....	124,539 93
Public buildings .....	140,190 90
Public works .....	26,867 27
Colonization roads.....	114,564 13
Charges on Crown lands.....	67,776 17
Refunds.....	53,421 26

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\$2,285,282 10

With reference to the assets, there has been a considerable reduction. In the first place, the Dominion Government, as I said a few minutes ago, retired some \$350,000 of the stock we held. In addition to that we obtained an advance from the Bank of Commerce of \$413,100 for railway aid, surplus distribution and the payment to Lower Canada before referred to

on account of Common School Lands. This, of course, will reduce our assets, but at the same time it will be seen that our liabilities have been reduced in somewhat the same proportion. I may state further that this loan of \$413,100 was obtained at  $3\frac{3}{4}$  per cent., including commission, and that a renewal was obtained at 4 per cent., also including commission.

Our assets will be as follows:—

### 1.—INVESTMENTS.

Dominion 6 p. c. bonds...	\$500,000 00	
Dominion 5 p. c. debentures (£250,100) or at par value .....	1,217,153 33	
Market value over par value .....	61,514 59	
	<u>\$1,778,667 92</u>	
Less advanced .....	413,100 00	
	<u>\$1,365,567 92</u>	
Draining 5 p.c. debentures and invested December 31, 1879 .....	\$239,224 10	
Overdue interest on account of same .....	2,537 96	

### DRAINAGE.

Municipal rent charges for works completed.....	\$337,374 08	
Overdue interest on account of same .....	13,927 00	
Drainage — 5 p. c. tile drainage—deb'tures invested up to December 31, 1879.....	5,900 00	
	<u>\$598,963 14</u>	
		<u>\$1,964,531 06</u>

2. Special or Trust Fund with Dominion of Canada Upper Canada Grammar School Fund, second Vic., cap. 10, and 250,000 acres of land allotted to it. (This fund is bearing interest at 5 per cent.) .....	312,769 04	
Upper Canada Building Fund (under 18th sec., Act 1854), Seigniorial tenure set apart for local purposes in Upper		

*Carried forward*..... \$312,769 04 \$1,964,531 06



<i>Brought forward</i> .....	\$312,769 04	\$1,964,531 06
Canada. (A large portion of this fund should bear interest at 6 per cent., but we have received only 5 cent.)....	1,472,391 41	
Land Improvement Fund, being one-fourth of the collections on account of Common School lands sold between the 14th day of March, 1853, and the 6th day of June, 1861, as per award.	124,685 18	
Common School Fund (see Consolidated Statutes, cap. 26, 1,000,000 acres set apart), proceeds realized to 1st July, 1867, after deducting Land Improvement Fund, \$1,520,959.24—portion belonging to Ontario, as per population of 1871. This fund is bearing interest at 5 per cent.....	876,573 00	
	<hr/>	2,786,418 63
3. Value of library share assigned to Ontario, as per award.....		105,541 00
4. Balance due on account of Municipal Loan Fund Debts, 31 Vic. cap. 47..		118,686 85
5. Balance due from Mechanics' Institutes.....		19,950 00
6. Balance due on account of sale of lots at Mimico.....		5,684 00
7. Due from Credit Valley Railway Co. for lands sold for railway purposes, as per award of Provincial arbitrators....		9,012 00
8. Cash balance in banks .....		131,573 00
		<hr/>
		\$5,141,396 54

With reference to our liabilities, the obligations we were placed under by the Act passed in 34 and 35 Vic., establishing what was known as the Railway Aid Fund, amounting to \$1,900,000, have been discharged. The remaining roads entitled to aid under that Act have been paid off by the issue of scrip under 42 Vic. The Fund set apart under the Act passed in 35 Vic., known as the Railway Subsidy Fund, being \$100,000 per annum for twenty years, has been exhausted, and under all the other Acts creating subsidies and authorizing the issue of scrip to railways, the annual payments due on account of the same up to 31st December, 1879, have been met. Now,

what I propose to do, in order to arrive at our railway liability, is to give the amount of direct grants we still owe on account of railways. We are not indebted on account of subsidy, for every dollar of scrip that was due up to 31st December, 1879, has been paid, but we are indebted for direct grants made to roads which have not been completed and are therefore not entitled to receive them. Of these last, I believe, there are three: the Grand Junction, when completed to Peterboro', 20 miles, at \$3,000 per mile—\$60,000; Montreal and City of Ottawa, 66 miles, at \$2,000 per mile—\$132,000; both of these roads being aided under 34th and 35th Vic., and the Cobourg, Peterboro' and Marmora, 13 miles, at \$2,000 per mile—\$26,000, and Montreal and City of Ottawa, 66 miles, at \$1,000 per mile—\$66,000, under 39th Vic.; so that our railway indebtedness will be \$284,000. We are in debt on account of Surplus Distribution, as follows:—amount, \$3,115,733.66, less amount paid on account of principal, \$3,008,412.70, leaving due on account of Surplus Distribution \$107,320.96. With reference to Quebec's share of the Common School Fund; this account stands as follows:—collections on account of lands sold between 14th June, 1853, and 6th March, 1861, \$711,070.44, less 6 per cent. cost of management, \$42,664.22, and one-quarter for Land Improvement Fund, \$177,767.61, being a total deduction of \$220,431.83, leaving a balance of \$490,638.61; that added to \$256,081.59, the balance on account of lands sold since 6th March, 1861, after deducting 6 per cent. for cost of management (\$16,345.63), makes a total of \$746,720.20, of which Quebec's share, according to population in 1871, is \$316,362.42. Then there is the liability we assume on account of the Land Improvement Fund—due municipalities for collections on lands sold between 14th June, 1853, and 6th March, 1861, as per award, \$124,685.18, making a total of \$832,368.56, leaving us, after all our disbursements and after the very hard times which we have experienced during the past four or five years, and which greatly curtailed our revenue, a surplus of \$4,309,027.98. (Cheers.)

## LIABILITIES.

*34 and 35 Vic. (Railway Aid).*

Grand Junction, to complete to Peterborough, 20 miles, at \$3,000 .....	\$60,000 00
Montreal and City of Ottawa, 66 miles, at \$2,000 .....	132,000 00

*39 Vic.*

Cobourg, Peterborough and Marmora, 13 miles, at \$2,000 .....	\$26,000 00
Montreal and City of Ottawa, 66 miles, at \$1,000 .....	66,000 00
	<hr/> \$284,000 00

Surplus distribution to Municipalities :—

Amount .....	\$3,115,733 66
Less amount paid on account of principal..	3,008,412 70
	<hr/> \$107,320 96

Quebec's share of Common School Fund, made up as follows :—

Collections on account of lands between 14th June, 1853, and 6th March, 1861. ....	\$711,070 44
Less 6 per cent., cost of manage- ment .....	\$42,664 22
One-quarter for Land Improve- ment Fund, on account of land sold .....	177,767 61
	<hr/> 220,431 83
	<hr/> \$490,638 61

Collections since 6th March, 1861 .....	\$272,427 22
Less 6 per cent., cost of manage- ment .....	16,345 63
	<hr/> 256,081 59
	<hr/> \$746,720 20

Quebec's proportion according to population, 1871 .....	\$316,362 42
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Land Improvement Fund :—

Due Municipalities for collections on lands sold between 14th day of June, 1853, and 6th day of March, 1861, as per award .....	124,685 18
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Making a total of.....	\$832,368 56
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Our Estimated Receipts, Mr. Speaker, for the year 1880, are as follows:—

Subsidy .....	\$1,116,872 80
Specific Grant.....	80,000 00
Interest on Special Funds.....	136,696 62
	<hr/> \$1,333,569 42

### CROWN LANDS—REVENUE.

Crown Lands....	\$35,000 00
Clergy Lands.....	16,000 00
Common School Land.....	40,000 00
Grammar do .....	4,000 00
Woods and Forests .....	355,000 00
	<hr/> \$450,000 00

### PUBLIC INSTITUTIONS—REVENUE.

Lunatic Asylum, Toronto.....	\$28,000 00
Do London .....	7,000 00
Do Kingston .....	3,000 00
Do Hamilton .....	3,000 00
Do Orillia .....	1,500 00
Penetanguishene Reformatory. . . . .	4,000 00
Deaf and Dumb Institute.....	1,000 00
Central Prison .....	40,000 00
	<hr/> \$87,500 00
Education Revenue.....	55,000 00
Interest on Investments.....	105,000 00
Casual Revenue .....	31,000 00
License Fund .....	85,000 00
Algoma Taxes.....	10,000 00
Law Stamps.....	72,000 00
Drainage Assessment Fund .....	25,000 00
Agricultural Farm, Mimico.....	1,000 00
Sale of Revised Statutes. ....	400 00
Municipal Loan Fund.....	40,000 00
Toronto Mechanics' Institute .....	14,000 00
From Insurance Companies, to defray expenses of inspection by Provincial Inspector.....	\$2,000 00
From Counties, to defray expenses of taking lunatics to asylums and boys to reformatories, etc .....	5,250 00
	<hr/> 7,250 00
Making a total of.....	<hr/> \$2,316,719 42

There are some increases and some decreases in the proposed expenditure for 1880, to which it will be necessary for me to allude. Hon. Members will notice that so far as Public Institutions are concerned, very little change has taken place; while on the one hand there is an increase of \$9,728, on the other there is a decrease of \$9,532, so that in the aggregate the Estimates remain about the same. Take, for instance, the Hamilton Asylum; we are asking \$6,004 more because we are providing accommodation for 80 more inmates. The decrease in the Central Prison of \$5,200 is caused by the change of industries, which enables us, however, to dispense with the services of the chief man in charge of the industries at a salary of \$2,000, and also to ask for a less sum for the purchase of material. We require quite a large sum in connection with the Agricultural College at Guelph, to provide for additional pupils. We have come to the conclusion that that Institution should have sufficient accommodation for at least 150 pupils, and when that is reached such boys as we are unable to admit must simply wait their turn. I have been given to understand—in fact I am perfectly satisfied—that the present staff can teach 150 boys just as well as they can teach 92, and so far as the expense is concerned, it will be confined to the employment of a few more servants and the result will be the *pro rata* cost being very much reduced. We ask for that purpose \$22,000, and I have no doubt it will be cordially granted by Hon. Members. We have also decided to make a change with reference to the Reformatory at Penetanguishene, but as I expect, in introducing the Bill for that purpose, to make such explanations as may be necessary, I will merely state that we are endeavouring to make it more of a reformatory school than the prison it has virtually been for a number of years. We intend, in carrying out this design, to take down the cell doors, remove the cells, make large dormitories, and also to provide an evening room, and make better arrangements for dining-room, etc.; in fact, to make it an institution of which the people of this Province ought to be proud. To do all this, we estimate that we shall require \$29,664.



Perhaps I may here be allowed, Mr. Speaker, to make a few remarks with reference to the large amount of expense incurred in connection with railways. One would hardly have thought in the years 1872, 1873 and following years that the roads aided by this House and this Government would nearly all have been completed to-day. Take, for instance, the twenty-six roads to which we granted aid; only four of them are uncompleted for the distance over which the aid extended, and these four are the Grand Junction, which has 20 miles to complete to Peterboro'; the Montreal and City of Ottawa, 66 miles, from Ottawa to Province line; the Kingston and Pembroke, 28 miles, from the Mississippi to the Madawaska River; and the Cobourg, Peterboro' and Marmora, some 13 miles. There could be no better evidence of the propriety of the action of the Government and of this House than the very fact that all these roads—in the face of the hard times which Canada has seen; in the face of the fact that until just now the prospects of the country have been very dark and gloomy—have been pushed through to completion, with the exception of the four I have mentioned. I say, Mr. Speaker, that it is really wonderful, and it justifies the action of the Government and of the House most completely. In addition to that, every one of these railways is actually open, and for the last three months they have been tested to their fullest capacity in carrying the grain of this country to market. (Applause). We have granted aid to railways in 35 out of the 45 counties and districts in the Province of Ontario. The number of roads, as I said before, is 26, the number of miles, 1,410; 634 by direct grant, 644 by annual subsidy, and 131 by direct grant and subsidy combined. The amount of cash payments under direct aid was \$1,685,409.15; amount of cash payments as subsidy, \$1,072,679.31; or a total of \$2,758,188.46. The annual payment we will have to make from this time forward on account of scrip issued is \$182,032.48.

On former occasions in addressing this House with reference to the Estimates and the Public Accounts, I have never referred to the other Provinces of the Dominion with

a view to making a comparison, and I should refrain from doing so now were it not that the political platform of the Premier of Quebec is of such a character as to be dangerous, if not hostile, to the interests of Ontario, and I feel the greater freedom in making these few remarks because no decision has been arrived at on the subject by the authorities at Ottawa, whose place it is to determine upon the matter. It cannot be said that it is a party question, but it is one of those things in which we here in the Province of Ontario have a very great interest, one of those things which we should carefully watch and look into, and what I propose is to make a few remarks, looking at the question from an Ontario standpoint. The first plank in the platform I refer to is that of financial reform. No one can object to that. It is one of those things which sounds well, and if carried out aright is well. But the first thing he sees, the first thing he grasps at, the first thing he mentions to bring about this financial reform is the sale of the North Shore Railway to the Dominion of Canada, and when we recollect that out of the receipts of the Dominion one-half comes from the Province of Ontario, we see that the sale of that road to the Dominion Government for ten or eleven millions of dollars, means five or six millions taken out of the pockets of the people of this Province. It has been said that the carrying out of the scheme of Confederation has not worked fairly so far as Quebec is concerned. I do not propose to discuss that part of the question now, but I am satisfied, have always been satisfied, in fact feel certain, that the Confederation Act has been unfair to Ontario. The people of Quebec say it is unfair to them, and they give us as a reason the fact that after twelve years of confederation Ontario has a surplus of four millions, and Quebec a deficit of twelve millions. There, they say, is the evidence of the unfairness, and I am willing to admit that that would be a very good argument provided the people of the Province of Quebec pursued the same system with reference to public matters as we do in the Province of Ontario. If the municipalities and if the private citizens of Quebec took a share in constructing public

works, public buildings, gaols, inspecting and maintaining their court-houses, etc., as we do here, I would say then that there might be some evidence of unfairness. But let us look for a moment at the position occupied by the two Provinces, comparing one with the other. We are forced to this comparison, the fault is not ours, and in making it I shall give some high authority for my statements. Take, for instance, the railways. They ran in debt largely for railways—something like eight or ten millions, including this particular railway which they propose to hand over to the Dominion Government. Now twelve railways have been aided in Quebec at a total mileage of 877.51. (I am quoting the figures from a report made by Mr. Brydges, presented at the last session of the Dominion House, which carries us down to 30th June, 1878.) At that time they had completed, as I have said, 877.51 miles, of which the Quebec, Montreal, Ottawa, and Occidental Railway represents 326.66 miles. Now these 326.66 miles cost \$10,338,000. It is more than likely that the actual cost may exceed that, but I may be mistaken. The balance of the mileage is 550.85. Now I have assumed that these being either branch lines or local roads, they would cost no more on the average than similar roads in Ontario, being built with no better material and supplied with no better rolling stock, and I have placed these 550 miles at an average cost of \$18,000 which would make \$9,915,300, or a total expenditure by the Province of Quebec of \$20,253,300. Now let us see how this is provided for, viz.: Government aid to these roads, \$9,724,250; municipal aid, \$3,531,500; private capital, \$6,997,550, making \$20,253,300. Now in Ontario, up to the 31st December, 1878, six months later (and I may remark that in the last six months of 1878 very few miles of railway were completed), we had aided 23 railways, having a total mileage of 1,357 miles. Now that at an average cost of \$18,000 per mile would be \$24,426,000, being something like \$4,000,000 more than was spent for railways in the Province of Quebec. But you will notice how this amount is made up, viz.:—Government aid—*i.e.*, direct aid and subsidy, \$2,888,784.65; municipal



aid, \$7,139,480; and private capital, \$14,397,735.35. The statement I have given relative to Quebec is hardly a fair indication of the way public moneys have been spent in that Province as compared with private capital. Private individuals and corporations have approached nearer to the Government figures in aid to railways than they have in any other service. But in Ontario we find it is the people and the municipalities who furnish the larger amount, while the Government assist. In Quebec the very reverse is the order of the day—the Government furnish the bulk of the money and the municipalities and capitalists assist. (Applause.) We in this Province build our own court-houses and gaols, etc., and pay for their maintenance, while in Quebec the Government build the court-houses, etc., and pay the officials connected with them. Here in this Province we grant large sums towards the building of colonization roads, but they are in the sparsely settled districts; we do not grant a dollar towards roads in the older counties. But in the Province of Quebec, large sums are granted to build roads in the older sections. I say, then, that we are quite justified in going into this matter, to see whether or not there is any justice in selling this North Shore Railway to the Dominion Government. (Applause.) But I wish to call attention to another point. This state of affairs in the Lower Provinces has come about, not by accident, but by design. I do not mean by that to charge the leading men in the Province of Quebec with looking forward seven, eight or ten years, allowing this debt to accumulate with the belief that when it became too heavy they would go to the Dominion Government and demand better terms, but I do say that they knowingly went behind year after year, taking it as a matter of course. Further than that, they fostered the idea that it was the duty of the Government to perform all this work and leave the money in the people's pockets, and that the Province of Quebec would be just as well off under this system as if the people found the money themselves. Now, I will quote the authority of the Treasurer of Quebec himself in support of my state-

ments. I will read from the Financial Speech of the Hon. L. R. Church, delivered to the Legislative Assembly of Quebec on the 31st January, 1878. I myself would feel that if Quebec, through unforeseen or unavoidable circumstances, had gone behind financially, or if it had come about as a result of the Confederation Act, she would be deserving of sympathy at the hands of her sister Province, but when it appears from the statements of no less an authority than her own Treasurer that such is not the case, then, I say, she is neither entitled to our sympathy nor to receive assistance at the hands of the Dominion Government.

Hon. Mr. Church said :—

“Ontario contributes towards the cost of Administration of Justice not over thirty-three and one-third per cent. Quebec contributes more than ninety-five per cent., that on this sum alone we have saved not less than two and one-half millions of dollars since Confederation.”

He goes on further, and speaking of colonization roads, he says:—

“In Ontario the \$60,000 was spent entirely upon what are known as Colonization Roads, in those districts of the country where there is either no population, or where the population is so sparse as to be unable to contribute anything for local purposes. It was an expenditure entirely outside of the ordinary resident population, while a very large portion of the \$150,000 spent for this service in Quebec, more than two-thirds of it, was expended in the old settled counties.”

He goes on to say :—

“Now, will any one explain to me in what way Ontario is richer than Quebec because she has this sum, which probably amounts to two and a half million of dollars in the last ten years, and which she has been enabled to save through the contributions of the municipalities towards the Administration of Justice? I say, will any one explain to me in what way Ontario is to that extent richer than Quebec because she has this sum lying at her credit in the bank, and drawing, probably, five per cent. interest upon it, while the people of Quebec,

having had these sums of money, which, in Ontario, as I have explained, are paid by the people through her municipal system, paid out of the Provincial exchequer, and hence to the relief to that amount of the ratepayer? Rather, does it not follow that that amount is left in the pockets of the ratepayer of Quebec which in Ontario has been collected from him? and, moreover, as it is notorious that the cost of collection of the most easily collected tax seldom costs less than from seven to ten per cent. when the taxpayers are many and the amounts small, it follows that a sum of from \$175,000 to \$250,000 has been expended on tax-gatherers in Ontario and taken out of the pockets of taxpayers, while here it is quietly resting in the pockets of our people or lying in the banks to their credit at a not less rate of interest than the people of Ontario draw."

But he puts it stronger than that; he thoroughly understands the situation, and knows exactly what the people of the Province of Quebec want, and he says:—

"Again, look at the court-houses and gaols and their maintenance in Ontario and Quebec. Who builds them in Ontario? I am informed, except to the extent of a small proportion, the local taxpayers. Who maintains them? The local taxpayers. By what system? By a direct tax upon his home. On the other hand, by whom are they built and maintained? By the Provincial Exchequer. By what means? Chiefly by the litigant himself or from the general funds of the Province. Sir, if the people of this Province will voluntarily accept the same burthens which the people of Ontario accept and bear to the relief of the Local Government; if they, through the system in vogue there, will build and maintain their own court-houses and gaols, and the inmates requiring no more from the Provincial Exchequer than what is paid in Ontario, and will persevere in this system for ten years, we too would have our two or three millions at our credit in the bank, although the taxpayer would be probably that much poorer."

Now, Mr. Speaker, I have perhaps made an innovation, but I think the circumstances fully justified it, and I would like very much to hear an expression of the opinions of other

honourable gentlemen with reference to the stand taken by the Premier of Quebec. As I said before, this is a matter of very serious import to us. If that transfer is carried out, it would, if not causing a wreck of Confederation, so alter the relations of the Provinces to the Dominion as to place the future of Confederation in a very serious and uncertain position. This is one of those things that we should take our stand upon now. Let the Government at Ottawa understand what our views are on this matter, because if that \$10,000,000 is paid—if that railway is bought over—if it comes to be understood that the people of Quebec may build great railways, paying hardly any part of their cost, and then hand them over, to be a burden on the revenues of the Dominion—if that becomes a fact known to the people of Ontario—I would not give very much for Confederation; it would be one of the most dangerous things which have happened since the year 1867. It would be a lamentable thing to have the Parliament at Ottawa say to the people of Ontario, “You have been industrious, you have been enterprising; you have put your shoulders to the wheel; you have never asked for aid to railways or education or agriculture without first subscribing yourselves; but all that is to count for nothing; you shall assist to pay the indebtedness of the weaker and less enterprising Province. The Province which has been provident shall be made to suffer, and the Province which has been improvident shall be rewarded.” (Loud applause.) I move, Mr. Speaker, that you do now leave the chair.

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APPENDIX.

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## AID TO

34 Vic., cap. 2; 35 Vic., cap. 24; 37 Vic., cap. 37; 39 Vic.,

RAILWAY.	ROUTE.	MILES.	AID PER MILE.
Canada Central.....	Sandpoint to Pembroke ...	47·56	Direct payment .. \$ 2650
Cobourg, Peterborough & Marmora .....	Ashburnham to Chemong Lake .....	9·37	“ .. 2000
Grand Junction.....	Belleville to Stirling .....	20	“ .. 2000
“ “ .....	Stirling to Campbellford ..	13·82	Half-yearly payment for 20 years, equal to direct payment of 3000
“ “ .....	Campbellford to Hastings..	10·5	“ “ “ 3000
Hamilton & Lake Erie	Jarvis to Hamilton .....	33·48	Direct payment of .. 2000
Kingston & Pembroke..	Kingston Harbour to 20 miles northerly .....	20	“ .. 2000
“ “ .....	From 20 miles northerly to 35 miles northerly .....	15	“ .. 2650
“ “ .....	From 35 miles northerly to Sharbot Lake .....	11·58	“ .. 3250
“ “ .....	From Sharbot Lake to the Mississippi .....	13·74	“ .. 7000
Midland.....	Beaverton to Orillia .....	20·40	“ .. 2000
“ .....	Orillia to Waubashene ....	19·6	Half-yearly payment for 20 years, equal to direct payment of 2250
“ .....	Waubashene to Wye River	10	“ “ “ 2250
“ .....	“ “	10	Also direct paym't of 1750
“ .....	Wye River to Midland ....	4·53	Half-yearly payment for 20 years, equal to direct payment of 2500
“ .....	“ “	4·53	Also a direct paym't of ..... 1750
North Grey .....	Collingwood to Meaford ..	20·52	Direct payment of .. 2000
Port Dover & Lake Huron .....	Port Dover to Stratford ..	63	“ .. 2000
Whitby, Port Perry & Lindsay .....	Whitby to Port Perry ....	20	“ .. 2000
Whitby, Port Perry & Lindsay .....	Port Perry to Lindsay ...	25·945	Half-yearly payment for 20 years, equal to a direct paym't of 2000
Northern Extension ..	Barrie to Orillia .....	22·20	Direct payment of .. 2000
“ “ .....	Orillia to Gravenhurst ....	27·687	“ .. 4000
Toronto & Nipissing ..	Uxbridge to Portage Road.	33·439	“ .. 2000

## RAILWAYS.

cap. 22 ; 40 Vic., cap. 14 ; 41 Vic., cap. 16 ; 42 Vic., cap. 28.

STATUTE.	Total payments of direct grants.	Total half-yearly payments.	No. of accrued payments.	No. of certifi- cates unpaid.	Total paym'ts due annually on certificates.
	\$ c.	\$ c.			\$ c.
34 and 35 Vic ...	125,957 15	.....	.....	.....	.....
“ “ ..	18,740 00	.....	.....	.....	.....
“ “ ..	40,000 00	.....	.....	.....	.....
35, 37, 39 and 42 Vic. ....	.....	7,174 20	4	36	6,312 48
“ “ ..	.....	4,088 07	3	37	
34 and 35 Vic. ..	66,960 00	.....	.....	.....	.....
“ “ ..	40,000 00	.....	.....	.....	.....
“ “ ..	39,750 00	.....	.....	.....	.....
“ “ ..	37,592 50	.....	.....	.....	.....
“ “ ..	96,180 00	.....	.....	.....	.....
“ “ ..	40,800 00	.....	.....	.....	.....
35 and 37 Vic. ....	.....	34,292 16	16	24	7,464 22
“ “ ..	.....	17,496 00	16	24	
39 Vic. ....	17,500 00	.....	.....	.....	.....
35 and 37 Vic. ....	.....	7,925 60	16	24	.....
39 Vic. ....	7,927 50	.....	.....	.....	.....
34 and 35 Vic. ....	41,040 00	.....	.....	.....	.....
“ “ ..	126,000 00	.....	.....	.....	.....
“ “ ..	40,000 00	.....	.....	.....	.....
40 Vic. ....	.....	17,958 08	8	32	4,489 52
34 and 35 Vic. ....	44,400 00	.....	.....	.....	.....
“ “ ..	110,748 00	.....	.....	.....	.....
“ “ ..	66,878 00	.....	.....	.....	.....

AID TO RAILWAYS—*Continued.*

RAILWAY.	ROUTE.	MILES.	AID PER MILE.
			\$
Toronto & Nipissing ..	Portage Road to Coboconk	12·778	Direct payment of .. 3000
Toronto, Grey & Bruce	Orangeville to Owen Sound		
“ “ “	and Teeswater .... “	142·591	“ “ “ 2000
“ “ “	“ “ “	73·529	Half-yearly payment
“ “ “	“ “ “		for 20 years, equal
“ “ “	“ “ “		to direct payment of 1000
Wellington, Grey & Bruce ..	Toronto to Weston .....	8·55	“ “ “ 2000
“ “ “	Harriston to Southampton		
“ “ “	and Palmerston to Kin-		
“ “ “	cardine .....	120·638	Direct payment of .. 2000
Canada Southern .....	St. Clair Junction to St.		
“ “ “	Clair River .....	62·901	Half-yearly payment
“ “ “	“ “ “		for 20 years, equal
“ “ “	“ “ “		to direct payment of 2000
Credit Valley .....	Woodstock to Ingersoll ....	9·351	Direct payment of .. 2000
“ “ “	Toronto to Woodstock and		
“ “ “	Streetsville to Elora ....	142·5	Half-yearly paym't
“ “ “	Toronto to Ingersoll and		for 20 years, equal
“ “ “	Streetsville to Elora ...	151·851	to direct p'ym'ts of } 2000
Hamilton & N.-West'n	Hamilton to Burlington ..	9	Half-yearly payment
“ “ “	“ “ “		for 20 years, equal
“ “ “	“ “ “		to direct payment of 3000
“ “ “	Burlington to Georgetown.	26·021	“ “ “ 2500
“ “ “	Georgetown to Buckstone		
“ “ “	Road .....	23	“ “ “ 3000
“ “ “	Buckstone Road to Cooks-		
“ “ “	town Siding .....	20	Half-yearly payment
“ “ “	“ “ “		for 20 years, on 12
“ “ “	“ “ “		miles, equal to di-
“ “ “	“ “ “		rect payment of ... 3000
“ “ “	“ “ “		And for 8 miles .... 2500
“ “ “	Cookstown Siding to Barrie	17·443	Half-yearly payment
“ “ “	“ “ “		for 20 years, equal
“ “ “	“ “ “		to direct payment of 2500
“ “ “	Clarksville to Collingwood.	39·077	“ “ “ 2500
“ “ “	Jarvis to Port Dover .....	8·975	“ “ “ 2000
London, Huron & Bruce	London to Wingham .....	69·146	“ “ “ 2000
Brantford, Norfolk & Port Burwell .....	Brantford to Canada South-		
“ “ “	ern Railway, Canada		
“ “ “	Southern Railway to Til-		
“ “ “	sonburg .....	33·270	“ “ “ 2000
Victoria ....	Lindsay to Kinmount ....	33·442	Half-yearly payment
“ “ “	“ “ “		for 20 years, equal
“ “ “	“ “ “		to direct payment of 3000
“ “ “	“ “ “	33·442	Direct payment of .. 1000
“ “ “	Kinmount to Haliburton..	22·310	Half-yearly payment
“ “ “	“ “ “		for 20 years, equal
“ “ “	“ “ “		to direct payment of 8000



AID TO RAILWAYS—*Continued.*

STATUTE.	Total payments of direct grants.	Total half-yearly payments	No. of accrued payments.	No. of certifi- cates unpaid.	Total paym'ts due annually on certificates.
	\$ c.	\$ c.			\$ c.
34 and 35 Vic....	38,334 00	.....	.....	.....	.....
“ “ .....	285,182 00	.....	.....	.....	.....
35 and 37 Vic....	.....	57,176 00	16	24	8,809 12
“ “ .....	.....	13,296 96	16	24	
34 and 35 Vic....	241,276 00	.....	.....	.....	.....
35 and 37 Vic....	.....	97,823 68	16	24	12,227 96
39 Vic. ....	18,702 00	154,633 20	.....	.....	
{ 35 & 37, 39 & 42, & 40 Vic. }	.....	{	From 3 to 16.	From 24 to 37	39,505 14
35 and 37 Vic....	.....	20,995 20	16	24	
“ “ .....	.....	50,584 80	16	24	36,384 86
“ “ .....	.....	53,654 40	16	24	
“ “ .....	.....	43,545 60	16	24	13,441 98
“ “ .....	.....				
“ “ .....	.....	40,149 28	16	24	25,193 76
“ “ .....	.....	69,725 44	16	24	
41 Vic. ....	.....	4,659 06	6	34	13,441 98
35 and 37 Vic....	.....	107,535 84	16	24	
“ “ .....	.....	51,741 44	16	24	6,467 68
35 and 37 Vic. ...	.....	78,013 44	16	24	25,193 76
39 Vic. ....	33,442 00	.....	.....	.....	
40 Vic. ....	.....	42,066 00	5 & 6	34 & 35	.....

AID TO RAILWAYS—*Continued.*

RAILWAY.	ROUTE.	MILES.	AID PER MILE.
Lake Simcoe Junction. Belleville & North Hastings . . . . .	Stouffville to Jackson's P't Grand Junction Railway to Madoc . . . . .	26·50 22	Direct payment . . . \$ 2000 Half-yearly payment for 20 years, equal to direct payment of. . . . . 3000
Stratford & Lake Huron Prince Arthur's Land- ing . . . . .	Stratford to Listowel . . . . Prince Arthur's Landing to Fort William . . . . .	27·5 5·995	Direct payment of. . 2000 Half-yearly payment for 20 years, equal to direct payment of. . . . . 2000
North Simcoe . . . . .	Penetanguishene to Har- rison's Crossing . . . . .	33·343	" " " . . 2500
Prince Edward County	Picton to Grand Trunk R'y	32	" " " . . 2500
	Total miles aided. . .	1410·702	

AID TO RAILWAYS—*Continued.*

STATUTE.	Total payments of direct grants.	Total half-yearly payments.	No. of accrued payments.	No. of certifi- cates.	Total paym'ts due annually on certificates.
	\$ c.	\$ c.			\$ c.
39 Vic.....	53,000 00	.....	.....	.....	.....
39 and 42 Vic.....	.....	14,275 80	5	35	5,710 32
39 Vic.....	55,000 00	.....	.....	.....	.....
40 Vic.....	.....	3,630 76	7	33	1,037 36
41 Vic.....	.....	18,030 20	5	35	7,212 08
35 and 37 Vic.....	.....	62,208 00	16	24	7,776 00
TOTALS .....	1,685,409 15	1,072,679 21	.....	.....	182,032 48

NOTE.—In addition to the previous table of aid granted, aid has been sanctioned to railways, as follows :

RAILWAY.	ROUTE.	RATE OF AID PER MILE.	TOTAL AID.
Grand Junction ..... Montreal & Ottawa .....	(34 and 35 Victoria.) From Hastings to Peterborough ..... " Province boundary to Ottawa .....	Say 20 miles, at \$3,000 ..... " 66 " 2,000 .....	\$ c. 60,030 00 132,000 00
Montreal & Ottawa ..... Cobourg, Peterborough & Marmora ..	(39 Victoria.) From Province boundary to Ottawa ..... " Harwood to Ashburnham .....	Say 66 miles, at \$1,000 ..... " 13 " 2,000 .....	66,000 00 26,000 00
Kingston & Pembroke .....	(40 Victoria.) From Mississippi River to Madawaska River ..	Say 30 miles, at \$692.16 per mile per annum for 20 years.	
Montreal & Ottawa .....	(41 Victoria.) " Province boundary to Ottawa .....	Say 66 miles, at \$86.52 per mile per annum for 20 years.	
Port Stanley, Strathroy & Port Frank	From Strathroy to Canada Southern Railway. (39 Victoria.)	Say 10 miles, at \$173.04 per mile per annum for 20 years.	
Bonus, subsidy or annual payment to any Company now or hereafter to be incorporated, to secure construction of a railway extending from a point in the District of Muskoka as far north as Gravenhurst, to the Canada Pacific Railway, at some point west of the eastern end of Lake Nipissing—no agreement to be operative until ratified by resolution of the Legislative Assembly. Aid not to be in excess of a present payment per mile of .....		\$8,000.00.	

(Certified) C. H. SPROULE, *Auditor*.

TREASURY DEPARTMENT, ONTARIO,  
TORONTO, February 21st, 1880.

S. C. WOOD, *Treasurer*.



